



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 28, 2005

S. 716

Vet Center Enhancement Act of 2005

*As ordered reported by the Senate Committee on Veterans' Affairs
on September 15, 2005*

SUMMARY

S. 716 would authorize the appropriation of \$180 million in 2006 for veterans' readjustment counseling and related mental health services and to carry out the specific requirements of this bill. The bill also would require the Secretary of the Department of Veterans Affairs (VA) to hire up to 50 additional veterans of Operation Enduring Freedom or Operation Iraqi Freedom to provide outreach on the availability of counseling services. Finally, the bill would clarify that parents of a member of the Armed Forces are eligible for bereavement counseling.

CBO estimates that implementing this bill would cost \$102 million in 2006 and about \$185 million over the 2006-2010 period, assuming appropriation of the authorized and estimated amounts. Enacting the bill would not affect direct spending or receipts.

S. 716 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 716 is shown in the following table. For this estimate, CBO assumes the bill will be enacted early in fiscal year 2006. The costs of this legislation fall within budget function 700 (veterans benefits and services).

	By Fiscal Year, in Millions of Dollars					
	2005	2006	2007	2008	2009	2010
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for Veterans'						
Readjustment Counseling Services						
Budget Authority ^a	94	0	0	0	0	0
Estimated Outlays	85	8	0	0	0	0
Proposed Changes						
Estimated Authorization Level	0	180	3	3	3	3
Estimated Outlays	0	102	30	47	3	3
Spending Under S. 716 for Veterans'						
Readjustment Counseling Services						
Estimated Authorization Level ^a	94	180	3	3	3	3
Estimated Outlays	85	110	30	47	3	3
a. The 2005 level is the amount appropriated for that year.						

BASIS OF ESTIMATE

Section 4 would authorize the appropriation of \$180 million for fiscal year 2006 for veterans' readjustment counseling and related mental health services provided through VA's Vet Centers and to carry out the specific requirements in this bill. Because the authorized amount is almost twice the current budget amount for these programs, CBO expects that it would take VA about three years to increase the size and scope of these counseling programs to the level authorized for 2006. Thus, CBO estimates that implementing this provision would cost \$102 million in 2006 and about \$180 million over the 2006-2008 period, assuming appropriation of the authorized amount.

Section 2 would require VA to hire up to 50 additional veterans of Operation Enduring Freedom or Operation Iraqi Freedom to provide outreach on the availability of counseling services. The provision would remove any current limits on the duration of the employment for such hires, and would direct VA to employ these veterans in a career conditional status. According to VA, most of the veterans currently employed in this program are hired as general schedule (GS) grade 7 employees. Assuming that these veterans would all be hired by the end of 2006, CBO estimates that employing these additional veterans would cost about \$1 million in 2006 and \$3 million annually thereafter.

Section 3 would clarify that parents of members of the Armed Forces who die while on active duty are eligible for bereavement counseling from VA. According to VA, it already provides such counseling through existing resources. In fact, VA has counseled about 600 family members, including parents, since the program to provide bereavement counseling to family members of active-duty servicemembers began about two years ago. Thus, CBO estimates that implementing this provision would have no additional cost.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 716 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Michelle S. Patterson

Impact on State, Local, and Tribal Governments: Melissa Merrell

Impact on the Private Sector: Joshua Lee

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis